

DM General

PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: Ellen Merlo
FROM: Beth Mora *BM*
SUBJECT: CAMBRIDGE DIRECT MAIL/STRATEGIC OVERVIEW

DATE: March 20, 1992

To answer your recent question regarding the appropriateness of a direct mail strategy for Cambridge, we've put together a brief point of view supporting our initial recommendation. The brand group is in agreement.

Point of View: An offensive direct mail makes sense for Cambridge in the current price value environment.

- Rationale:
1. Cambridge's "value plus" proposition is an idea we feel could be communicated well via direct marketing to specifically targeted groups on the database (Doral, Viceroy, and Winston price-sensitive smokers). Cambridge has tried to create a point of difference among its competitors - that is, coupons plus additional savings delivered via bounceback coupons or continuity offers. Yet awareness and trial among these competitive smokers is still low when compared to Doral. We believe direct mail provides us with an opportunity to deliver this message to the appropriate groups in an offensive manner.
 2. The current 1992 retail plan has a defensive posture. While the retail promotional platform also serves to deliver the "value plus" message, it is primarily received by current or occasional Cambridge smokers.

Attached is a memo the Brand group sent to Bob Mikulay which further outlines their thoughts and support for the program. If possible we'd like to discuss these ideas with you so that we may move forward with a mutually agreed upon strategy.

Thanks.

Attach.

cc: C. Abbruscato
M. Nawrocki
A. Sinha
J. Spector
S. Vasquez

2049028567

BM317/sl